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## **INTRODUCTION**

The Domestic Violence Project, Inc. entered into contract numbers DV-00-81001, STOP-00-81001, FFDV-00-81001 and TSH-00-81001 with the Michigan Family Independence Agency (FIA). The DV contract was to provide Emergency Shelter, Twenty-four Hour Hotline, Crisis, Support, and Group Counseling and Support Services. The STOP contract was to provide Legal Advocacy services to assist victims of domestic violence to achieve safety and autonomy, and provide training for police, prosecutors, advocates and court personnel. The FFDV contract was to provide services to clients who were at risk of becoming homeless due to domestic violence. The TSH contract was to provide supportive services to clients who were in transitional housing. The Domestic Violence Project, Inc. was reimbursed for actual costs incurred through submission of monthly billings to FIA. The contracts totaled \$557,952.62 and covered the period October 1, 1999 through September 30, 2000 and October 1, 2000 through September 30, 2001.

## **SCOPE**

The Office of Internal Audit performed an audit of Domestic Violence Project, Inc. to determine if the agency's billings were accurate, and if costs billed were allowable and properly supported by the accounting records and supporting documentation in accordance with the terms of the contract. Our audit covered the period October 1, 1999 through January 31, 2001. Our audit was performed in accordance with Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

## **EXECUTIVE SUMMARY**

Based on our audit, we conclude that Domestic Violence Project, Inc. has underbilled FIA \$7,726.62. The FFDV and the TSH contract were underbilled by \$6,416.72 and \$1,309.92 respectively. Our report recommends the Child and Family Services

Administration allow the Domestic Violence Project, Inc. to submit revised billings that include the underbilled costs for the contract year 2000.

### **AUDITEE RESPONSE**

The management of Domestic Violence Project, Inc. has reviewed the findings and recommendations included in this report. They indicated in a memorandum dated May 2, 2001 that they are in general agreement with the report.

### **FINDINGS AND RECOMMENDATIONS**

#### **FFDV Contract**

##### Salaries

1. The Domestic Violence Project, Inc. underbilled FIA \$1,686.35 for salaries. Some costs were not included in the billing due to a math error.

##### Fringe Benefits

2. The Domestic Violence Project, Inc. underbilled FIA \$2,981.12 for fringe benefits because some fringe benefits are based on salary costs, which were underbilled. (See finding 1 above.) In addition, there was a math error in calculating fringe benefits to be billed.

##### Communication

3. The Domestic Violence Project, Inc. underbilled FIA \$46.63 for communication expenses because they thought they had exceeded the line item budget restrictions, when in fact, they had not.

#### Supplies

4. The Domestic Violence Project, Inc. underbilled FIA \$148.32 for supplies expense because they did not include some costs that they had incurred.

#### Specific Assistance

5. The Domestic Violence Project, Inc. underbilled FIA \$2,662.55 because they did not include some costs that they had incurred.

#### Miscellaneous

6. The Domestic Violence Project, Inc. overbilled FIA \$1,388.08 for training costs that were billed based on estimates, but the costs were not incurred.

#### Case File Review

7. The Domestic Violence Project, Inc. did not consistently complete the follow-up for 7 cases, and the termination reports for 9 cases of 13 case records reviewed for the FFDV contract. Adequate documentation of client termination and follow-up is necessary to determine if the program was successful.

WE RECOMMEND that Child and Family Service Administration advise Domestic Violence Project, Inc. to document case termination and follow up reviews for each case.

WE ALSO RECOMMEND that the Child and Family Services Administration inform the Domestic Violence Project, Inc. that they may submit a revised final billing that includes the costs that we have identified as underbilled, and excludes those we have identified as overbilled.

## **TSH Contract**

### **Salaries**

8. The Domestic Violence Project, Inc. overbilled FIA \$1,453.17 for salaries expense due to the salaries being overstated.

### **Fringe Benefits**

9. The Domestic Violence Project, Inc. underbilled FIA \$2,372.09 for fringe benefits because they omitted some insurance expense for employees who worked on the TSH contract.

### **Equipment**

10. The Domestic Violence Project, Inc. underbilled FIA \$91 for equipment expense because they did not include all expenses incurred for this program.

### **Miscellaneous**

11. The Domestic Violence Project, Inc. underbilled FIA \$300 for miscellaneous expenses because they did not include all expenses incurred for this program.

WE RECOMMEND that the Child and Family Services Administration inform the Domestic Violence Project, Inc. that they may submit a revised final billing that includes those costs we have identified as underbilled, and excludes those we have identified as overbilled.